

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
January 12, 2017**

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Call Regular Board Meeting: Board President John Garcia called the regular board meeting to order at 4:01 p.m., Thursday, January 12, 2017.

Present: John Garcia, Board President; Saundra Mies-Grantham, Secretary; Karen Otta, Member. Staff: Adam Denlinger, General Manager; Joy S King, Office Manager. See sign in sheet for public attendance.

Excused Absences: Glenn Morris, Rob Mills

Announcements: Joy King announced the District didn't receive payment requests No. 14 from Mocon and should not be approved but should be removed from the Agenda Calendar.

Public Comments: Jack Maitlen, a member of the Central Coast Fly Fishing Association explained that the association would like to develop a lake in Bayshore, a project involving ODF&W. The lake would be open to the public for fishing. The association needs about 65 feet of pipe to use to bring water to the lake and he was requesting the District's support by donating the needed pipe. The GM, Adam Denlinger explained that the District has leftover sewer pipe from the construction of the office/shop facilities. He is requesting the Board to surplus the sewer pipe and donating it to the Central Coast Fly Fishing Association. It was the consensus of the Board to donate the surplus sewer pipe to the Central Coast Fly Fishing Association.

Agenda Calendar: Items on the consent calendar are Invoice Lists for December 2016/January 2017; minutes of the December 8, 2016 regular board meeting; December 2016/January 2017 Financial Report/Invoices to approve; USDA Phase 3- Project Monitoring Report No 15; General Manager's Report. Surplus 65-LF 6 inch & 8 inch Wastewater Pipe, and make the pipe available to support a community project involving ODF&W and the Central Coast Fly Fishing Association. The District has not received the original signed copies of Mocon's Payment Applications. Saundra Mies-Grantham motioned to approve the consent calendar. Motion Seconded by Karen Jacobs Otta. Motion carried 3-0.

Discussion and Information Item: One-Stop Meeting: Adam Denlinger, GM did a power point presentation of the Phase IV Project for the One-Stop Meeting to be held in the District office on February 14, 2017. He is also planning to take the funding agencies on tour of the proposed intake, proposed treatment, and the proposed tank sites. He asked the Board to provide comments and recommendations to improve the presentation. The Board of Commissioners is invited to attend the One Stop meeting and it will be announced as a Special Meeting to comply with public meeting law. The GM will meet with commissioners Rob Mills and Karen Otta to go over the presentation.

Phase 3 Project Close Out: The contractor has submitted the project as-builts which is being reviewed by the engineer and staff. The engineer is in the process of completing final certification with MOCON Corp for the completion of Phase 3 Schedule 1 & 2 Projects. The District is waiting for the final payment requests from Mocon to process the project close-out.

PRVs and Master Meter: Part of Phase 3 projects are the installations of 2 PRVs (Pressure Reducing Valves) and master meter.

Automated Meter Integration (AMI): District staff is working with the engineers to develop design specifications and contract documents in preparation for installing the AMI system tentatively scheduled to begin in the spring of 2017.

Wholesale Rate: Staff received a letter from the City of Toledo informing the District that the whole sale rate was reduced from \$3.57 to \$3.35 beginning January 2017. The reduction is due mainly to

63 decrease in staffing. The City of Toledo did not have a Public Works Director and a City
64 Manager. As the City hires personnel to fill the vacancy, the administration cost will
65 increase and will also increase the wholesale rate.
66 There was a discussion on how to adjust the users' rates for FY 17-18 budget. It has been
67 the philosophy of the District to do little rate increases annually. The possibility of doing a
68 3 year consecutive rate increase to save funds to cover the shortfall of financing the
69 Phase IV project was discussed. It was the consensus of the Board for staff to put
70 together a recommendation for increasing rates for 3 years.

71 Decision Items:
72 Audit Report
73 FY 15-16: The extension request to file the audit report by January 31, 2017 was approved. The
74 audit for FY 2015-16 was completed on January 5, 2017 and audit report filing with
75 the Secretary of State Audit Division was completed. There is no negative comment on
76 the audit. The District's Net Position at the end of June 30, 2016 was \$5,999,108. The
77 significant change under Operating Expenses in Payroll and Benefits was due to the
78 District's PERS proportionate share of the net pension liability and the contractually PERS
79 required contribution for the year ended June 30, 2016.
80 Saundra Mies-Grantham motioned to approve the audit report prepared by Grimstad and
81 Associates. Karen Otta seconded the motion. Motion carried 3-0.

82 Reappoint Budget
83 Committee Members: Saundra Mies-Grantham motioned to reappoint Deanna Gravelle, James Senn, Barry
84 Compton, Gary Helms, and Barbara Flewellyn for a three year term as budget committee
85 members. Karen Otta seconded the motion. Motion carried 3-0.
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87 Budget Calendar: The proposed budget calendar was reviewed. Saundra Mies-Grantham motioned to
88 approve the proposed budget calendar. Karen Otta seconded the motion. Motion
89 carried 3-0.

90 Budget
91 Officer: Saundra Mies-Grantham motioned to appoint Adam Denlinger as the Budget Officer for
92 the 2017-18 Budget Session. Karen Otta seconded the motion. Motion carried 3-0.

93 Consultant Services
94 Chase Park Grants: District staff believes now would be an appropriate time to take advantage of a highly
95 skilled expert who is knowledgeable in the area of grant writing and evaluation. The
96 District is undertaking major improvements like developing a source water intake and
97 treatment facility and Chase Park Grants will assist the District in developing a strategy for
98 financing future capital improvements. Tia Cavender, President of Chase Park Grants will
99 participate in One-Stop meeting with IFA and other funding agencies, help collect
100 information to evaluate the funding, help identify potential pursuit strategies, leverage
101 opportunities, will facilitate de-briefing meeting with the District General Manager to
102 discuss findings and will summarize written recommendations. The cost to conduct the
103 work is \$1,600 based upon 8 hours of work at a senior consultant rate of \$200 per hour.
104 Saundra Mies-Grantham motioned to authorize the General Manager to execute a scope
105 of services with Chase Park Grants. Karen Otta seconded the motion. Motion carried 3-0.
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108 Executive Session: None
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110 Next Board Meeting: February 16, 2017 at 4:00 p.m. Regular Board Meeting.
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112 Adjournment: Motioned by Saundra Mies-Grantham to adjourn the meeting. John Garcia adjourned the
113 meeting at 5:55 pm.
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123 Approved by Secretary _____ Date _____